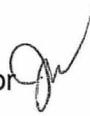


**Memorandum**  
**Office of Jenine Windeshausen**  
**Treasurer-Tax Collector**



TO: Board of Supervisors

DATE: February 23, 2016

FROM: Jenine Windeshausen Treasurer-Tax Collector 

SUBJECT: Placer Corporate Center Assessment District No.1  
Removal of Defaulted Assessments from the Property Tax Roll

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**ACTION REQUESTED**

Authorize the Treasurer, as trustee of Placer Corporate Center Assessment District No. 1 (the "District") to direct the Auditor-Controller to remove all defaulted special assessments of the District from the 2011-12 through 2014-15 property tax rolls.

**BACKGROUND**

On August 17, 2000, the County issued \$3,495,000 in limited obligation improvement bonds (the Bonds") for the purpose of acquiring public facilities within the Placer Corporate Center Assessment District No.1. The infrastructure improvements financed included the acquisition, construction and installation of Cyber Court, Technology Way, Placer Corporate Drive, South Loop Road, water pipelines, sanitary sewer pipelines, storm drainage system, and underground utility systems, together with appurtenant work and improvements. Repayment of the bonds is dependent upon an annual levy collected on the property tax roll. There are a total of 42 parcels in the District which are subject to the assessment.

The default rate ranged between 3.55% and 23.13% during the 2011-12 through 2014-15 property tax years. All defaults are attributable to a single property owner, who has owned up to ten parcels in the District and has not paid property taxes on any parcels since taking ownership. Of the ten parcels, five parcels have been paid upon sale of property. The remaining five parcels have four years of unpaid taxes totaling \$75,584.91.

All defaulted parcels are subject to judicial foreclosure at the time of original default. The judicial foreclosure provisions are provided to ensure timely payment of bond debt service. Further, the bond covenants require all parcels within the district be foreclosed upon if the default rate exceeds 5% and the bond Reserve Fund falls below the minimum required amount. While the Bond Reserve Fund has not fallen below the required amount, removing the parcels from the property tax roll will allow for separate collection of the defaulted assessments and to pursue judicial foreclosure if the parcels remain unpaid which will help to avoid future shortfall of the Reserve Fund.

The Treasurer, as Trustee of the District, requests authorization to direct the Auditor-Controller to remove the defaulted assessments from the property tax roll, and further requests authorization, under the assistance of County Counsel, to hire special counsel should foreclosure action on any of the parcels listed in Exhibit A becomes necessary.

**FISCAL IMPACT**

At this time, the Bonds are not threatened with default due to the unpaid assessments; nor is there any impact to County finances from these defaults. There are sufficient funds available from the assessments collected to pay the next debt service payment on March 2, 2016, in the amount of \$75,730.00. In addition to the debt service fund, there is \$257,685.12 in the Reserve Fund, which is sufficient to make one full year of debt service payments (two payments).

Attachments: Exhibit A - List of the defaulted parcels

Placer Corporate Center AD No.1  
List of the Defaults: 2011 through 2014  
As of December 31, 2015

APN	Tax Year	Amount
378-030-003-000	2014	\$ 5,574.84
378-030-003-000	2013	5,599.50
378-030-003-000	2012	5,601.56
378-030-003-000	2011	2,797.89
378-030-004-000	2014	4,459.86
378-030-004-000	2013	4,479.60
378-030-004-000	2012	4,481.26
378-030-004-000	2011	2,238.31
378-030-007-000	2014	4,459.86
378-030-007-000	2013	4,479.60
378-030-007-000	2012	4,481.24
378-030-007-000	2011	2,238.31
378-030-008-000	2014	4,459.86
378-030-008-000	2013	4,479.60
378-030-008-000	2012	4,481.26
378-030-008-000	2011	2,238.31
378-030-009-000	2014	2,573.00
378-030-009-000	2013	2,584.38
378-030-009-000	2012	2,585.34
378-030-009-000	2011	1,291.33
<b>Total</b>		<b>\$ 75,584.91</b>

